



Defining Artisan, Speciality and Premium Food

A Paper Prepared for the Bord Bia Consumer Foods Board

October 12th 2004

Table of Contents

1.0	Introduction	Page 3
2.0	Background/Context	Page 3
2.1	Consumer Change	Page 3
2.2	Trendsetting USA research	Page 3
2.3	High tech and low tech	Page 5
3.0	Definitions	Page 7
3.1	Artisan Food	Page 7
3.2	Speciality/Gourmet Food	Page 9
3.3	Premium Food	Page 10
4.0	In Ireland's Case	Page 10

1.0 Introduction

Following a presentation to the Bord Bia Consumer Foods Board on the work of the TASTE Council, the board requested that some work was done regarding the definition of artisan, speciality/gourmet and premium food. It was felt that this was an important factor, which needed consideration for the development of the sector.

This paper should be considered in the context of the TASTE Council's Strategic Master Plan (launched on September 9th 2004) and the TASTE Council's submissions to Agri Vision 2015 and to the Consumer Strategy Group.

2.0 Background/Context

2.1 Consumer Change

Consumer society and culture is changing dramatically. The artisan food movement and the evolution of gourmet/speciality food and premium food internationally is a result of consumer societal and cultural change.

2.2 Trendsetting USA research

In the USA where these marked societal and cultural trends tend to begin there is a renaissance of artisan food – that is food made and produced on a smaller scale, labour intensively and available locally.

Why are Americans seeking out foods with homelier origins? Research suggests that there are at least five drivers at work as follows:

1. The thrill of Exploration

Variety is the spice of life, and many of today's consumers crave it. Sampling widely from the enormous pool of food products available is a way to experience new sensations. Linking this to travel and a sense of place adds to the exploratory value of food as does meeting or knowing the maker of the food.

2. Perceived and Actual Sensory Quality

Whilst handcrafted, homemade or small-batch products are not all necessarily superior from a sensory perspective, when the craftsmanship and attention to detail are there, the results are outstanding. This is superior sensory performance in mouthfeel, taste, texture and flavour (including aspects of aroma). Artisan food also offers the individual consumer a "connection" to the maker. Often the craftsmanship is retained through the use of written production protocols (see definition section below).

3. The Prestige Factor: "Trading up"

Status can and does play a role here. Many people believe the act of offering a dinner guest some handmade chocolates or a rare artisan cheese marks them as discriminating and knowledgeable consumers with a taste for life's finer things. More of these consumers are now willing to spend the extra dollars to create that impression due to increased affluence. Affluence is forecast to rise even further in the USA. In particular independent affluence among women is on the rise – the core shopper responsible for 82% of all consumer goods purchasing in the USA.

4. The Satisfaction of Knowing Where Foods Come From

As Americans become increasingly attuned to the social implications of the food choices they make, many find it comforting to know that for example the lettuce they bought at their local market was picked by hand on an organic farm in Salinas County, California, or that the free-trade coffee they purchased at the farmers' market was sourced from conscientious growers that provide employees with better-than-normal working conditions. This is the growing market for ethics based product concepts in the USA.

Health concerns also figure in the US mindset. For example there is concern about irradiation of food and the effect of decades of chemical fertilizers and pest control. People essentially want to know where their food comes from and how it is grown and handled and by whom.

5. Nostalgia: Yearning for Simpler Times

So much about life today is so programmed, regimental, structured and exacting that it frankly feels good to revel in foods that owe their extraordinary tastes to time-honoured, "old-world" techniques/traditions that are not quite so impersonal.

As a wine-lover, for instance, one of life's great pleasures is savouring a bottle from a vineyard that produces only a small number of barrels each year. Over time, you almost come to feel as though you know the vintners themselves, and you may enjoy speculating about what they were trying to achieve with a particular vintage. Forging that personal connection with a brand or product can be deeply satisfying for those who savour the foods they eat and consider tastes to be experiences in and of themselves.

2.3 High Tech and Low Tech

You might wonder how an economy like the USA (which places a premium on productivity) would provide a hospitable climate for goods that are produced by techniques that are outmoded and inefficient by today's standards. Yet the past several years have witnessed a stunning increase in the variety and availability of foods that are produced in relatively small quantities, often by speciality businesses whose calling cards are quality and handwork.

The fact is that Americans are becoming more affluent thanks in many ways to a buoyant modern economy but that these same Americans want to eat and drink really well.

From artisan breads to farmstead cheeses, from boutique wines to microbrewed beers and small batch bourbons, more and more consumers are displaying a keen interest in **labour-intensive foodstuffs**. The list includes handcrafted chocolates, homemade salad dressings, heirloom tomatoes and organic lettuces.

This has naturally resulted in greater opportunities for entrepreneurs. The Association of Brewers reports there are 1,326 craft brewers operating in the U.S. today. The Bread Bakers Guild of America boasts 260 members who own artisan bakeries. Specialty cheesemakers are now selling their trades from coast to coast. And small chocolatiers have been steadily raising the bar for confectionery quality; their share of the overall U.S. chocolate market stood at 12 percent back in 1998, according to the

National Confectioners Association. Given the growth in Internet commerce since then, it would be surprising if that percentage has not risen since.

There was a time when most food was artisan in the USA. Eventually, however, in particular Wal-Mart food centres swallowed corner bakeries and it became easier to buy cheese from supermarkets than from the local fromagerie.

Now newspapers in the USA are peppered with stories chronicling the re emergence of artisan breads, artisan cheese, artisan oils and more supermarket chains are regularly promoting their artisan offerings, while web sites offer home delivery of artisan products.

Artisan foods are an obvious antidote to the mass market prosaic. In simplest terms, they are products created with a **greater focus on the uniqueness of each food or ingredient**: bread with thyme and rosemary, fresh from the oven; a cheese made of herb fed goat milk, etc. Usually, these foods are prepared without preservatives and additives, and served as fresh as possible Artisan products offer tremendous potential to supermarkets, since they provide value, novelty and, most of all, personality not necessarily hallmarks of Wal-Mart and its ilk.

Artisan foods offer a **unique experience**, a sense that care and creativity have been baked into them and it's only a matter of time before general market consumers begin to expect more artistry in their foods.

The challenge is for food companies to create products of artistic enticement that can be scaled-up to a profitable level The wise will seek a more truly artisan approach and build a following as loyal as that of yesteryear's fromagerie.

It is a sign of these choice-rich times that American consumers now have ready access to products that are whipped up by machine as well as those that involve some degree of human preparation or involvement. This in itself is a very important point the US model of artisan food renaissance shows that there is a market for both and indeed larger manufacturers can benefit from the provision of some artisan lines.

3.0 Definitions

Definition needs to be consumer mindset led. It also needs to consider the mindset of US consumers in particular as US trends move from the US to the UK and Ireland.

Typically the following definitions apply and have been used by Bord Bia in their ongoing work with the sector.

3.1 Definition of Artisan

The Irish writer John McKenna (and member of the TASTE Council) measures artisan food by the test of the 4P's. Artisan food, he argues, is a synthesis of the Personality of the producer, the Place it comes from, the Product provided and the Passion, without which no food is ever great.

The personality of the producer is made up of his skill, experience, story, character and guiding principles
The Place is what the French call *terrior*, the Italians *geniuo*. Both terms refer to the qualities of taste that distinctly resonate with place, from the milk of the specific field and pasture ...etc. In recent years, food and wine professionals have led the way in increasing understanding and preparation of a place-based taste experience.

The artisan product is produced on a smaller scale, with labour and craft intensity and is available locally.
The singular passion by which the product is made, marketed and distributed attributed usually to an individual is the final element of the definition.

Artisan food is defined by its **uncompromised** commitment to food making skill¹, which results in superior flavour or taste. Artisan food is also defined by the skills, passion and beliefs of the individuals behind these foods. Typically these individuals seek out the best available ingredients and make their food using non-industrial and artisan technique.

Examples include:

- Dittys bakery (Northern Ireland) who insist on using flour which is made at a volume of less than 4 tonnes per hour ensuring no integral damage to the wheat.
- Durrus Raw milk cheese – small scale wash rind cheese making
- Woodcock Smokery – authentic traditional method of fish smoking, hand filleted process
- Montgomery raw milk cheddar (Somerset UK) whose cheddaring mill cuts a low volume of curd at a time ensuring their position as the best tasting cheddar in the world. (rated by Delia Smith as such).
- Parmigiano Reggiano² (Italy) cheese's milk and cheese making protocol which includes for example the exclusion of silage in feed.
- Niman Ranch³, (USA) considered the best tasting meat in the world achieved through their strict animal husbandry guidelines that include treating their animals humanely, feeding them all-natural feeds, and allowing them to mature naturally. This commitment has established their reputation for the best-tasting meats available.
- Valrhona chocolate's⁴ (France) sourcing and managing of diverse cocoa bean plantations and their retention of traditional drying, roasting, conching and blending technique to retain their position as the best culinary performing chocolate in the world (rated by all top global chefs in this regard).

¹ Usually in the form of written protocols/specifications for production which results in better or superior taste.

² A hard mature cheese from Italy which has an estimated turnover of €1,184 million and is available in at least 35 markets worldwide

³ Significantly, the USA is seeing the development and fast growth of large artisan business models. Previously people would say such models were restricted to the reputable nations of France, Italy and even Spain. The USA is rallying this paradigm. Niman Ranch is a case in point – an artisan meat business in California fast growing and currently achieving a turnover level of \$45 million.

Artisan technique is conscious of the retention of superior taste and texture and is usually labour intensive.

Artisan foods are usually authentic and achieve relatively higher prices compared to speciality/gourmet, premium and certainly compared to industrial food and deliver higher prices down the chain to growers and farmers. The price paid for milk made to the specification required in Parmigiano Reggiano cheese is higher than industrial milk prices.

Artisan foods are usually limited to certain distribution routes or exclusively distributed.

The forthright passion of the individual is a significant feature. Valrhona's Gerard Hugon has personally driven its export performance in 18 territories worldwide and estimated at €18 million in revenue to the Valrhona stable in just the last 8 years. That's one individual driven in his belief matched by a great product, which has created that revenue.

3.2 Definition of Speciality/Gourmet

Speciality/Gourmet food is typically broader in its distribution than artisan but will generally supply the independent and specialist chains as well as the top end of multiple retailers.

They tend to be unique foods or delicacies. They may in some instances exploit regional identity.

They tend to be less authentic than artisan and in the USA are certainly more faddish or novelty items without established reputation.

Authenticity is a link to strong reputation and food culture.

In general authentic food has greater longevity in competitive markets. Speciality/gourmet foods can be more faddish and less resilient to competitive and recessionary pressures.

⁴ Valrhona chocolate is the first choice in chocolate among chefs and cooks worldwide. It commenced as a small artisan business in France in the early 1900's. Today it has an estimated turnover of €70 million in 18 markets worldwide

Examples include:

- Mileeven honey and preserves
- Caffreys Marinades
- Wicklow Fine Foods
- Lifefibre breads
- Natural Ireland.

3.3 Definition of Premium

Premium foods use premium ingredients but can be made on an industrial scale.

One example is Hiestaud in Switzerland a baking business committed to premium ingredients; another example is Bonne Maman – committed to high fruit content in their preserves.

Irish examples include Dubliner cheese and Odlums Pinhead Oatmeal under the McCanns brand.

4.0 In Ireland's Case

Ireland's small food business base is made up of 320 firms. Approximately 70–80 of these would be considered artisan. The balance made up of speciality/gourmet, premium and mainstream foods.

Some large companies carry premium foods for example Dubliner cheese and Odlum's pinhead oatmeal.

Artisan, Speciality/Gourmet and Premium foods are all defined by superior taste and achieve optimal, sustainable premium price positions ensuring maximum profit from added value in food versus maximum profit from cost reduction in food per se. This optimal pricing ideal is akin to the Baileys model at its inception in the 1970's.

The value of sales (ex factory) of the Irish artisan, speciality/gourmet and premium foods sector is valued at €450 million.

Speciality foods has been highlighted as a significant high potential sector for enterprise development (by the Enterprise Strategy Group).

In addition Kerry Foods have made two recent speciality food acquisitions in the USA – Oregon Chai, Inc. based in Portland, Oregon, USA and Extreme Foods, based in Las Vegas, Nevada, USA.